Private Equity funds

558. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whehter it is a fact that there is a large number of unlisted foreign and domestic private equity funds operating and investing in India;

(b) if so, who is responsible for overseeing this, especially since many private equity funds are now directly or indirectly being funded by Sovereign Funds that belong to specific Governments?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Securities and Exchange Board of India (SEBI) has informed that at present, there are 103 Venture Capital Funds, 97 Foreign Venture Capital Investors and 1300 Foreign Financial Institutions registered under the SEBI regulations. However, the data regarding number of private equity (PE) funds, which may operate through various routes, listed or unlisted, is not available with SEBI.

(b) and (c) SEBI registers and regulates the venture capital funds under the SEBI (Venture Capital Funds) Regulations 1996. Foreign venture capital investors under the SEBI (Foreign Venture Capital Investors) Regulations, 1995. The term private equity is a broader term which encompasses various forms of investments and has not been defined under the SEBI regulations. However, the private equity funds, as investors in the securities markets, are subject to the same regulations of SEBI as other investors.

Decline credit offtake of banks

559. SHRI RAJEEV CHANDRASEKHAR : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact tnat the credit offtake and credit growth of banks has shown a decline this year; and

(b) if so, the reasons therefor and the details thereof, sector-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes, Sir. There has been a slowdown in non-food credit growth in the first three quarters of the current financial year (2007-08) from the persistent high growth rates that prevailed during the period 2004-07, which is broadly in alignment with the indicative trajectory given in the Annual Policy Statement of Reserve Bank of India for the year 2007-08. Non-food credit extended by scheduled commercial banks (SCBs) increased by Rs. 2,22,842 crore (11.8 per cent) during the current financial year (up to January 4, 2008) as compared with the increase of Rs. 2,56,693 crore (17.5 per cent) in the corresponding period of 2006-07. Further there was decline of Rs. 5,237 crore in food credit as compared with an increase of Rs, 2,392 crore in the previous year. Provisional information available from select SCBs up to November, 2007 indicates that credit to the industrial sector recorded the highest growth of 25.3 per cent followed by credit to the agriculture sector (21.4 per cent) services sector (20.8 per cent) and personal loans (20.0 per cent).